

Senate Engrossed House Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

**CHAPTER 130**

# **HOUSE BILL 2187**

AN ACT

AMENDING SECTIONS 35-131 AND 41-172, ARIZONA REVISED STATUTES; RELATING TO  
STATE BUDGET ESTIMATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-131, Arizona Revised Statutes, is amended to  
3 read:

4 35-131. Accounting system; reports; notice of deficiency; forms

5 A. In accordance with generally accepted governmental accounting  
6 principles, the department of administration shall develop and prescribe for  
7 the use of all budget units a uniform accounting system so designed as to  
8 ensure compliance with all legal and constitutional requirements including  
9 those respecting the receipt and expenditure of and the accountability for  
10 public monies.

11 B. The department of administration shall maintain complete, accurate  
12 and current financial records relating to state monies and to other public  
13 monies in the state treasury available to, encumbered by or expended by each  
14 budget unit, including trust monies or other monies not subject to  
15 appropriation, setting out all revenues, charges against all funds, fund and  
16 appropriation balances, interfund transfers, outstanding warrants and  
17 encumbrances, in a manner consistent with the uniform state accounting  
18 system, for the preparation of statewide financial statements in accordance  
19 with generally accepted governmental accounting principles.

20 C. Each month the department of administration shall prepare and  
21 submit to the governor a report summarizing by budget unit and appropriation  
22 or other fund source the above information in such form as will most clearly  
23 and accurately set out the current fiscal condition of the state and shall  
24 furnish to each budget unit a report of its transactions by appropriation or  
25 other fund source in a form that will clearly and accurately show the fiscal  
26 activity and condition of such appropriation or fund source.

27 D. The responsible official for each budget unit shall monitor reports  
28 prepared pursuant to subsection C of this section to identify any projected  
29 total deficiency for the budget unit fiscal year. On a determination of a  
30 projected deficiency, the official shall take any action necessary to assure  
31 continuing compliance with section 1-254 by notifying the governor, the  
32 speaker of the house of representatives, the president of the senate and the  
33 chairman of the joint legislative budget committee of the deficiency and the  
34 reasons for the deficiency. The initial notification of the deficiency shall  
35 be followed within ten business days by a report from the responsible budget  
36 unit official that includes the following:

37 1. A complete explanation of the causes of the deficiency.

38 2. A plan that assures that the deficiency will be resolved within the  
39 fiscal year without supplemental appropriation and that includes the policy  
40 and programmatic implications of the deficiency and the plan.

41 3. A commitment to provide a progress report if the projected degree  
42 of deficiency changes substantially. The report shall include additional  
43 measures necessary to assure resolution of the deficiency within the fiscal  
44 year.

1       E. On or before December 1 of each year, the director of the  
2 department of administration shall submit to the governor a complete report  
3 of the financial transactions of the preceding fiscal year and of the  
4 financial condition of the state at the end of that year with such comments  
5 and supplementary data as the director of the department of administration  
6 deems necessary to make the report complete and readily understandable. The  
7 report shall include all appropriated and nonappropriated monies in no less  
8 detail than the state general fund.

9       F. ON OR BEFORE FEBRUARY 1 OF EACH YEAR, THE DIRECTOR OF THE  
10 DEPARTMENT OF ADMINISTRATION AND THE STATE TREASURER SHALL SUBMIT TO THE  
11 JOINT LEGISLATIVE BUDGET COMMITTEE A REPORT EXPLAINING ANY DIFFERENCES  
12 BETWEEN THE DEPARTMENT OF ADMINISTRATION'S ESTIMATE OF THE PREVIOUS FISCAL  
13 YEAR'S STATE GENERAL FUND ENDING BALANCE SUBMITTED PURSUANT TO SUBSECTION E  
14 OF THIS SECTION AND THE STATE TREASURER'S ESTIMATE OF THE INVESTED BALANCE  
15 INCLUDING THE GENERAL FUND SHARE OF THAT BALANCE AS OF JUNE 30 OF THE  
16 PREVIOUS FISCAL YEAR SUBMITTED PURSUANT TO SECTION 41-172.

17       F. G. The director of the department of administration shall  
18 prescribe uniform classifications for assets, liabilities, receipts and  
19 expenditures and forms for the periodic reporting of financial accounts,  
20 transactions and other matters by budget units compatible with the reports  
21 required of the director of the department of administration under this  
22 section. Such records and accounts shall be maintained and reconciled by  
23 budget units. If required for reporting, the department of administration  
24 may establish or delete funds and budget units may maintain additional  
25 records for reporting to the federal government or other funding source.

26       G. H. Each organization that is included in the state's reporting  
27 entity as defined by generally accepted accounting principles shall submit  
28 all necessary financial statements or information to the department of  
29 administration on a basis of accounting that is consistent with generally  
30 accepted accounting principles and that is in accordance with the policies  
31 and procedures of the department of administration.

32       Sec. 2. Section 41-172, Arizona Revised Statutes, is amended to read:

33       41-172. Duties; administering oaths; appointment of deputy  
34       state treasurer

35       A. The state treasurer shall:

36       1. Authenticate writings and documents certified by him with the seal  
37 of his office.

38       2. Receive and keep securely in his custody all monies that belong to  
39 the state and that are not required to be received and kept by some other  
40 person.

41       3. File and keep the documentation delivered to the treasurer when  
42 monies are deposited into the treasury.

43       4. Deliver to each person depositing money into the treasury a receipt  
44 showing the amount, the source from which the money accrued, and the funds  
45 into which it is deposited, and shall number such receipts in order,

1 beginning with number one at the commencement of each fiscal year, and  
2 deliver a duplicate thereof to the department of administration.

3 5. Pay warrants drawn by the department of administration in the order  
4 in which they are presented, and take upon the back thereof the receipt of  
5 the person to whom it is paid.

6 6. Keep an account of all monies received and disbursed, and keep  
7 separate accounts of the different funds and appropriations of money.

8 7. Give information in writing as to the condition of the state  
9 treasury, or upon any subject relating to the duties of the treasurer, at the  
10 request of a member of the legislature.

11 8. Deliver to the governor and the department of administration,  
12 monthly, an accurate statement of receipts and expenditures of public monies  
13 for the preceding month, containing a complete exhibit of all the public  
14 monies received and paid from the state treasury, showing, under separate  
15 heads, on what accounts and from what sources received, and for what  
16 particular object or service the monies have been paid. The treasurer shall  
17 deliver to the governor a similar statement on or before November 1 each year  
18 for the preceding fiscal year. THE STATEMENT SHALL ALSO INCLUDE AN ESTIMATE  
19 OF THE INVESTED BALANCE INCLUDING THE GENERAL FUND SHARE OF THAT BALANCE AS  
20 OF JUNE 30 OF THE PRECEDING FISCAL YEAR. The statements are public records  
21 available for inspection at the office of the state treasurer.

22 9. ON OR BEFORE FEBRUARY 1 OF EACH YEAR, IN COORDINATION WITH THE  
23 DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION, SUBMIT TO THE JOINT LEGISLATIVE  
24 BUDGET COMMITTEE A REPORT EXPLAINING ANY DIFFERENCES BETWEEN THE DEPARTMENT  
25 OF ADMINISTRATION'S ESTIMATE OF THE PREVIOUS FISCAL YEAR'S STATE GENERAL FUND  
26 ENDING BALANCE SUBMITTED PURSUANT TO SECTION 35-131 AND THE STATE TREASURER'S  
27 ESTIMATE OF THE INVESTED BALANCE INCLUDING THE GENERAL FUND SHARE OF THAT  
28 BALANCE AS OF JUNE 30 OF THE PREVIOUS FISCAL YEAR SUBMITTED PURSUANT TO  
29 PARAGRAPH 8 OF THIS SECTION.

30 ~~9.~~ 10. Exercise those specific powers of the surveyor-general as a  
31 member of the selection board established under section 37-202.

32 B. The state treasurer may administer all oaths prescribed by law in  
33 matters touching the duties of the office of the state treasurer, may appoint  
34 a deputy state treasurer, may qualify and select investment managers or  
35 advisors pursuant to section 35-318 and shall perform other duties required  
36 by other laws of the state.

37 C. The state treasurer may obtain criminal history record information  
38 pursuant to section 41-1750, subsection G from the department of public  
39 safety criminal identification section for the purpose of employment of  
40 personnel.

**APPROVED BY THE GOVERNOR APRIL 17, 2006.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2006.**